

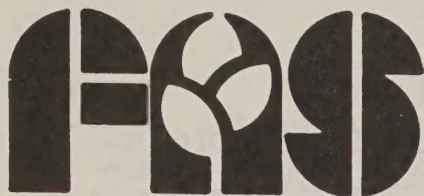
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**REPORT**

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 13-82

WASHINGTON, March 31--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

SPAIN's total winter grain area in 1982 is expected to be about the same as last year's 6.0 million hectares. Early sowing of wheat and barley was hampered by lack of rainfall during September-November. Only about 75 and 90 percent of normal barley and wheat plantings occurred, respectively. After mid-December rains broke the drought, durum and malting barley plantings expanded sharply due to high support prices designed to promote increased plantings of these commodities. Normal January and February rains greatly improved soil moisture conditions, as well as crop prospects. But persistent dryness returned throughout March. Fertilizer application rates have declined this year because of higher fertilizer costs and producers' fears that applications during the dry period earlier this season might have burned the crops.

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Growing conditions for FRANCE's winter grain crop have improved substantially during the past 2 months. Excessive rainfall in northern France created some germination difficulties early in the season and low temperatures in early January resulted in some winterkill. Milder weather in late January and February was ideal, and yields are expected to be only slightly below the 1981 level. Winter wheat area has continued its upward trend and is now expected to be slightly above 4.6 million hectares sown in 1981. Areas lost to winterkill are likely to be seeded to spring grains.

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CANADA's Wheat Board Minister Hagen Argue announced the initial payments for the 1982/83 marketing year on March 22. Initial payments are as follows in Canadian dollars per ton:

<u>Commodity</u>	<u>1981/82</u>	<u>1982/83</u>
#1 CW Red Spring Wheat	174.50	174.50
#1 CW Amber Durum	174.50	174.50
#1 Feed Barley	124.00	110.00
#2 CW 6 Row Barley	158.00	158.00
#1 Feed Oats	110.00	90.00
#1 CW Oats	140.00	140.00

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OILSEEDS AND PRODUCTS

The FISHMEAL EXPORTERS ORGANIZATION (FEO) reports fishmeal production during calendar 1981 rose to 1.58 million tons, 3 percent above the 1980 volume. However, 1981 fishmeal exports by FEO countries declined 16 percent to 1.14 million tons. The result has been a significant buildup in stocks, particularly in Chile and Peru. Production and export data are as follows in 1,000 tons:

	January-December 1980		January-December 1981	
	<u>Production</u>	<u>Exports</u>	<u>Production</u>	<u>Exports</u>
Chile	486.6	502.3	566.4	439.0
Iceland	169.2	156.7	147.2	128.8
Norway	292.5	269.3	300.0	267.0
Peru	444.6	415.5	418.4	297.6
South Africa	<u>147.3</u>	<u>14.5</u>	<u>150.8</u>	<u>5.0</u>
Total	1,540.2	1,358.3	1,582.8	1,137.4
October	112.1	121.7	163.6	108.2
November	70.6	124.1	63.9	125.2
December	74.0	139.6	79.3	119.8

During November-December 1981, fishmeal exports exceeded production, reducing stocks somewhat. In Europe, fishmeal prices are now 1.44 times the soybean meal price, compared with 1.79 times the soybean meal price a year ago.

DAIRY, LIVESTOCK, AND POULTRY

In the SOVIET UNION, state and collective farm data for the first 2 months of 1982 indicate both meat production and procurements were down by 5 percent, compared with 1981. Production of beef and pork was down 7 and 8 percent, respectively, while poultry meat production increased by 9 percent. Average live weights at slaughter were down 2 percent for cattle and 3 percent for hogs. Milk production and per cow productivity were both down about 5 percent. The cause of these declines has been short feed supplies.

March 1 livestock holdings by state and collective farms were up for cattle and poultry, but declined for hogs, compared with those of 1981. February 1 to March 1 changes followed patterns common during the past 5 years; however, the increase for poultry was slightly smaller than in the past.

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CHINA's hog population in mid-1981 was reported to be 298 million head, 4.8 percent below the mid-1980 level, largely because of marketing problems. The supply of hogs has tended to overwhelm the procurement system since procurement prices increased in 1979. This has forced farmers to sell on the free market, which is frequently difficult and less profitable. In addition, the government pricing system has made breeding operations less profitable, and as a result, some communes have dropped hog operations. Also, a 1980 policy change that allows more families to own oxen or water buffalo has encouraged farmers to keep one work animal rather than raise 2 or 3 hogs.

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U.S. pork exports to JAPAN could rise again this year following the outbreak of foot-and-mouth disease in Denmark--the largest supplier of pork to Japan during 1981, with shipments totaling 72,360 tons. Providing the U.S. pork industry can meet strict Japanese cutting specifications, Japanese importers feel that the United States could become their largest supplier. In 1981, the United States was Japan's third largest pork supplier (39,136 tons) while Canada held second place with 42,599 tons of shipments.

Japanese importers have cancelled Danish contracts providing for 15,000 tons of pork to be delivered from April until June. Also, approximately 1,000 tons of Danish orders already shipped will not be accepted because their killing dates are after the February 21 cutoff date established by the Japanese.

Although Japanese pork imports overall are expected to fall 20 percent in 1982 because of increased domestic production, decreased competition from Denmark will likely open up Japan's market for imported bellies. During 1981, Denmark supplied most of the 15,000 tons of bellies imported for bacon production.

#### COTTON

In an effort to increase domestic cotton consumption, INDIA has increased levies on manmade fiber imports. The levy on viscose fiber used in rayon has been raised 28 percent. India's fiscal 1982 budget calls for additional custom duties on several other manmade yarns and fibers.

India's domestic cotton consumption is being adversely affected by a textile workers' strike affecting 60 mills in the Bombay area that account for 15 percent of raw cotton consumption. Workers demanding higher wages have been on strike since mid-January.

\*\*\*\*\*

SPAIN increased the level of farm support to be paid to cotton growers during 1982/83 by more than 10 percent over the previous year to 35 cents per pound. Although the increase is less than the 22 percent demanded by farmers, supplementary measures, including subsidies on production costs, have lessened the discrepancy.

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## TOBACCO

MEXICO's domestic tobacco leaf utilization for 1981 is estimated at 47,000 tons, up 2 percent from the 1980 level, and is expected to rise to 48,000 tons in 1982. Despite substantial price increases for tobacco products, leaf consumption has risen largely because of effective marketing campaigns by cigarette manufacturers and Mexico's population growth. The increase in domestic demand for tobacco has reduced stocks.

Exports of unmanufactured tobacco during 1981 fell to 18,000 tons from 27,000 tons in 1980 because of a smaller tobacco crop. During 1982, exports are expected to fall further to 12,000-15,000 tons. A larger 1982 crop, along with a projected decline in exports and only minimal increases in domestic consumption, are expected to lead to a recovery in stock levels.

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SPAIN's imports of leaf tobacco in 1981 were roughly 70,000 tons, down 9 percent from the previous year. However, imports from the United States during 1981 rose by nearly 25 percent to about 22,800 tons in response to higher consumption of American-blend cigarettes. Total leaf consumption in 1981 is estimated at 82,000 tons, down 9 percent from the 1980 level, largely due to reduced dark leaf cigarette consumption and generally unfavorable economic conditions. In view of recent retail price increases of tobacco products and near static economic conditions, Spanish tobacco consumption is expected to decline further during 1982.

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Cigarette production in YUGOSLAVIA during 1981 totaled 64.5 billion pieces, an increase of 9 percent from the 1980 level. Filter-tipped cigarettes made up 97 percent of total production. Although domestic cigarette production increased, per capita consumption of cigarettes is slowly declining due to higher prices. Most of the increase in cigarette production in 1981 went into exports, estimated at 9,500 tons, compared with 4,000 tons in 1980. The USSR, Poland, and Czechoslovakia are Yugoslavia's major cigarette markets.

Yugoslav unmanufactured tobacco exports were around 20,000 tons in 1981, down one-fifth from the 1980 level. The reduction in exports was absorbed by increased requirements of the domestic cigarette industry. The United States imported 6,193 tons (duty paid) of leaf in 1981 from Yugoslavia. Other leading markets were Czechoslovakia, West Germany, Iraq, Egypt, Algeria, and the German Democratic Republic.

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# HORTICULTURAL AND TROPICAL PRODUCTS

MEXICO's strawberry production has declined sharply for the fourth consecutive year. Production for the 1981/82 season is currently estimated at 65,000 tons, compared with 77,000 tons a year earlier. Inadequate supplies of water and certified nursery stock during the main planting/growing season (June-October) were the principal reasons for the contraction in harvested area and low yields during the past season. In addition, strawberries continue to lose area to grains, which benefit from high support prices and other production incentives under the Mexican Food System.

The reduced Mexican supply, coupled with extremely high prices prior to the devaluation of the peso, substantially lowered Mexican exports of fresh strawberries during the 1981/82 season. Mexican strawberries usually figure prominently in the U.S. fresh market during December-March, but during the current season, exports ended in January.

For the remainder of the 1982 season, limited availability will increase competition between Mexican exporters and local users of frozen strawberries. Although the February devaluation of the peso made export prices more favorable, rising Mexican demand for fresh berries resulted in a smaller percentage being processed. In addition, the Mexican processing industry is currently faced with narrowing profit margins as grower prices and input costs have risen dramatically. Processors this season paid 20 pesos per kilogram for fresh berries, compared with 8.5 pesos per kilogram a year earlier. (One peso = 2.23 U.S. cents.) As a result, the volume of berries processed (the bulk of which are frozen for export) is expected to decline during 1982.

## MEXICAN STRAWBERRY AREA AND PRODUCTION

<u>Year</u>	<u>Harvested area (In hectares)</u>	<u>Production (In tons)</u>
1977/78	5,709	88,502
1978/79	5,340	87,450
1979/80	5,200	82,900
1980/81	4,400	77,000
1981/82 <u>1/</u>	3,900	65,000

1/ Preliminary.

## U.S. IMPORTS OF MEXICAN STRAWBERRIES (In tons)

<u>FRESH</u>				<u>FROZEN</u>	
<u>Oct/Sept</u>		<u>Oct/Jan</u>		<u>Jan/Dec</u>	
<u>1979/80</u>	<u>1980/81</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1980</u>	<u>1981</u>
6,452	2,782	2,036	685	5,038	2,093

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The INTERNATIONAL COCOA ORGANIZATION COUNCIL (ICCO) recently approved the acceptance of a Brazilian bank consortium loan of \$75 million, which will enable the Buffer Stock Fund (BSF) to continue to purchase cocoa in defense of the new floor price level of \$1.06 per pound.

The \$75 million loan will allow the BSF to purchase an additional 40,000 tons at current market prices in an attempt to increase prices to the new lower floor price level.

The ICCO agreed to defer any action on increasing the 2-cent per pound export levy to 3 cents until its next scheduled meeting in July. If the export levy is increased to 3 cents per pound, the ICCO will be able to qualify the BSF for additional loans.

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ISRAEL's avocado exports for 1981/82 are forecast at 30,000 tons, up from only 6,000 tons the previous season. Weather during the current growing season has been favorable, in contrast to variable temperatures and wind that reduced the 1980/81 crop. Western Europe, primarily France, continues to be the major overseas market for Israeli avocados.

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Based on the USDA's fourth estimate of 1981/82 world coffee production released on March 10, the world supply and distribution situation appears as follows in 1,000 bags (60 kilograms each):

	1979/80	1980/81	1981/82
Beginning Stocks	24,880	25,480	31,797
Production	81,867	85,307	96,664
Imports By Producing Countries	722	674	713
Total Supply/ Distribution	107,469	111,461	129,174
Internal Consumption	20,051	20,557	21,172
Exports	61,938	59,107	64,667
Ending	25,480	31,797	43,335

Carryover stocks in producing countries are expected to rise to 43.3 million bags at the end of 1981/82. Domestic disappearance among consuming countries has shown little growth during the past 5 years.

\*\*\*\*\*

INDIA's 1981 tea exports are estimated at a record high level of 240,000 tons, 7 percent more than the 224,000 tons exported in 1980. Higher shipments to the USSR, Australia, Iraq, Egypt, Tunisia, Poland, and the United States accounted for the increase. Shipments to the USSR, at about 80,000 tons, were about 25 percent higher than in 1980.



Domestic tea consumption is estimated to have increased from 355,000 tons in 1980 to about 380,000 tons in 1981, an increase of 7 per-cent--or about normal.

Domestic and global trends suggest better prospects for the tea industry in 1982. Improved sugar supplies are likely to stimulate internal demand; export demand should be good because stocks in London are low and the USSR is expected to make sizable purchases.

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In SPAIN, almond trees in the Levant and sections of Catalonia and Andalusia are showing signs of stress after 2 consecutive years of drought. In some areas, a relatively large percentage of flowers have failed to set. It is still too early to forecast the 1982 almond crop, as weather conditions during April will be crucial to the final outcome.

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WASHINGTON, D.C. 20250

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f.,  
Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	:	March 30, 1982	:	Change from	:	A year
	:		:	previous week	:	ago
	:		:		:	
		\$ per	\$ per	¢ per		\$ per
		<u>m. ton</u>	<u>bu.</u>	<u>bu.</u>		<u>m. ton</u>
Wheat						
Canadian No. 1 CWS-12.5%.....	204.00	5.55	+3		1/	
U.S. No. 2 DNS/NS: 14%.....	188.00	5.12	0		206.50	
U.S. No. 2 DHW/HW: 13.5%.....	204.00	5.55	0		212.00	
U.S. No. 2 S.R.W.....	175.00	4.76	0		204.00	
U.S. No. 3 H.A.D.....	186.50	5.08	+7		244.00	
Canadian No. 1 A: Durum.....	203.00	5.52	+2		1/	
Feed grains:						
U.S. No. 3 Yellow Corn.....	131.00	3.33	-2		165.00	
U.S. No. 2 Sorghum <u>2/</u> .....	138.00	3.50	+2		168.00	
Feed Barley <u>3/</u> .....	149.00	3.24	-3		175.50	
Soybeans:						
U.S. No. 2 Yellow.....	256.50	6.98	-12		312.00	
Argentine 4/.....	255.00	6.94	-15		314.00	
U.S. 44% Soybean Meal (M.T.)..	233.00	--	+4.50	<u>5/</u>	267.00	
EC Import Levies						
Wheat <u>6/</u> .....	85.40	2.32	-16		82.75	
Barley.....	73.10	1.59	-4		59.25	
Corn.....	89.25	2.27	-1		72.45	
Sorghum.....	79.15	2.01	-14		68.95	

- 1/ Not available.  
2/ Optional delivery: Argentine Granifero Sorghum.  
3/ Optional delivery: Canadian Feed Barley.  
4/ Optional delivery: Brazil Yellow.  
5/ Dollars per metric ton.  
6/ Durum has a special levy.

Note: Basis April delivery.